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OMMISSION
49**ANNUAL AUDITED REPORT
FORM X-17A-5 (A)
PART III**

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FACING PAGE**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2007 AND ENDING DECEMBER 31, 2007
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: WALLSTREET ASSOCIATES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6704 GRASSELLI RD., RIVERS PLAZA SUITE-E

(No. and Street)

FAIRFIELDAL35064

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JERRY HALL(205)785-9888

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LYONS SAMUEL O. JR.

(Name - if individual, state last, first, middle name)

1043-43RD STREET, ENSLEYBIRMINGHAMAL35208

(Address)

(City)

(State) SEC
Mail Processing
Section**CHECK ONE:**

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

APR 07 2008

Washington, DC

PROCESSED

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THOMSON
FINANCIAL**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

SEC 1410 (08-02)

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OATH OR AFFIRMATION

I, JERRY HALL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WALLSTREET ASSOCIATES, INC., as of DECEMBER 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]
Signature
CEO
Title

[Signature]
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

X o Auditor's Report on Internal Control

WALLSTREET ASSOCIATES, INC.
TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements	2 - 5
Notes to Financial Statements	6
Schedule I - Computation of Basic Net Capital Requirement	7
Independent Auditor's Report on Internal Control	8 - 9

SAMUEL O. LYONS, JR.
CERTIFIED PUBLIC ACCOUNTANT
1043-43RD STREET, ENSLEY
BIRMINGHAM, ALABAMA 35208

MEMBER
AMERICAN INSTITUTE OF CPA'S

TELEPHONE
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Wallstreet Associates, Inc.
Birmingham, Alabama**

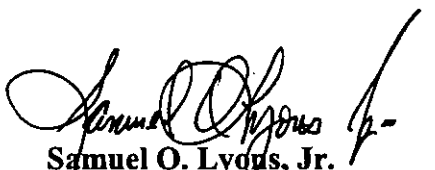
I have audited the accompanying balance sheet of Wallstreet Associates, Inc. as of December 31, 2007 and the related statements of income (loss) and retained earnings, statement of changes in stockholder's equity, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wallstreet Associates, Inc. as of December 31, 2007, and the results of its operations and its cash flows for the period stated in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

February 27, 2008


Samuel O. Lyons, Jr.
Certified Public Accountant

WALLSTREET ASSOCIATES, INC.
BALANCE SHEET
DECEMBER 31, 2007

ASSETS

Current Assets:

Cash and cash equivalents	\$ 422
Accounts receivable	25
Investments (Note 1)	<u>8,066</u>
Total current assets	8,513

Non-Current Assets:

Property and equipment (Note 1)	<u>-</u>
Total non-current assets	-
TOTAL ASSETS	<u>\$ 8,513</u>

LIABILITIES AND STOCKHOLDERS

Current Liabilities:

Accounts payable	\$ <u>-</u>
Total current liabilities	<u>-</u>

Non-Current Liabilities:

Non-current liabilities	<u>-</u>
Total non-current liabilities	-
Total liabilities	<u>-</u>

Stockholders Equity:

Capital stock, issued and outstanding	13,172
Paid-in-capital	1,900
Retained earnings	<u>(6,559)</u>
Total stockholders equity	<u>8,513</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>\$ 8,513</u>

The accompanying notes and independent auditor's report are an integral part of these financial statements.

WALLSTREET ASSOCIATES, INC.
STATEMENT OF INCOME (LOSS) AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2007

INCOME

Operating Income	<u>\$ 123,184</u>
Total Income	<u>123,184</u>

EXPENSES

Administrative	116,345
Marketing	<u>9,728</u>
Total Expenses	<u>126,073</u>

Net Income (Loss) From Operations	<u>(2,889)</u>
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Retained Earnings 12/31/06	<u>(3,670)</u>
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Retained Earnings 12/31/07	<u>\$ (6,559)</u>
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The accompanying notes and independent auditor's report are an integral part of these financial statements.

WALLSTREET ASSOCIATES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Capital Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>
Balance 12/31/06	\$ 13,172	1,900	\$ (3,670)
Capital contributions	-	-	-
Capital distributions	-	-	-
Net income(loss)	-	-	(2,889)
Balance 12/31/07	<u>\$ 13,172</u>	<u>1,900</u>	<u>\$ (6,559)</u>

The accompanying notes and independent auditor's report are an integral part of these financial statements.

WALLSTREET ASSOCIATES, INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2007

Cash Flows From Operating Activities:

Net Income (Loss) **\$ (2,889)**

Adjustments to reconcile net income (loss)
to cash provided from operating activities:

Decrease in investments	35
Decrease in accounts receivable	<u>139</u>
Total adjustments increase	<u>174</u>

Net cash increased by operating activities **(2,715)**

Cash Flows from Investing Activities:

Purchase of furniture and fixtures -

Net cash provided by financing activities **-**

Decrease in cash and cash equivalents (2,715)

Cash and cash equivalents 12/31/2006 3,137

Cash and cash equivalents 12/31/2007 **\$ 422**

The accompanying notes and independent auditor's report are an integral part of these financial statements.

WALLSTREET ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Wallstreet Associates, Inc. was incorporated on October 7, 1999. Its primary objective is to sell only cash account mutual funds.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Property and Equipment

Non-current assets are reported at cost. The straight-line method of depreciation based upon the estimated useful lives of the assets is used to calculate and record depreciation expense. Major repairs and/or improvements are capitalized and depreciated over the estimated useful lives of the assets and other repairs are expensed as incurred.

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Furniture and Fixtures	<u>\$ -</u>	<u>\$ -</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Investments

Investments consist of corporate common stock owned at December 31, 2007.

SUPPLEMENTARY INFORMATION

WALLSTREET ASSOCIATES, INC.
SCHEDULE I - COMPUTATION OF BASIC NET CAPITAL REQUIREMENT
DECEMBER 31, 2007

ASSETS

Allowable Assets

Cash	\$ 422
Accounts receivable	25
Investments	<u>8,066</u>
Total allowable assets	8,513

Non-allowable assets:

Furniture and office equipment-net	<u>-</u>
Total non-allowable	<u>-</u>

TOTAL ASSETS **\$ 8,513**

LIABILITIES (TOTAL)

Liabilities	\$ -
Total Liabilities	<u>-</u>

STOCKHOLDERS EQUITY

Capital stock, issued and outstanding	13,172
Paid-in-capital	1,900
Retained Earnings	<u>(6,559)</u>

**TOTAL LIABILITIES AND
STOCKHOLDERS EQUITY** **\$ 8,513**

NET CAPITAL COMPUTATION

Total assets	\$ 8,513
Less: Total Liabilities	<u>-</u>
Net worth	8,513
Less: non-allowable assets	<u>-</u>
Tentative net capital	8,513
Securities haircuts applied	<u>(817)</u>
Net capital	7,696
Less: Net capital requirement	<u>(5,000)</u>
EXCESS NET CAPITAL	<u>\$ 2,696</u>

There were no material differences between this computation of net capital and the corresponding computation prepared by Wallstreet Associates, Inc. included in its unaudited Part II Focus Report filing as of December 31, 2007.

SAMUEL O. LYONS, JR.
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1043-43RD STREET, ENSLEY
BIRMINGHAM, ALABAMA 35208

MEMBER
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

**To the Board of Directors
Wallstreet Associate, Inc.
Birmingham, Alabama**

In planning and performing my audit of the financial statements of Wallstreet Associate, Inc. for the year ended December 31, 2007, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g) (1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Securities Capital Corporation that I considered relevant to the objectives stated in Rule 17(a)-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3 (a) 11 and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3 of the Securities and Exchange Commission. I did not review the practices and procedures followed by the Company in making quarterly securities examinations, counts, verifications and comparisons and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and the practices and procedures referred to in the preceding paragraph and to assess whether those practice and procedures can be expected to achieve the Commission's above-mentioned objectives. Two objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) list additional objectives of the practices and procedures listed in the preceding paragraph.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL (CONT'D)

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the accounting system and control procedures that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe the Company's practices and procedures were adequate at December 31, 2007, to meet the Commission's objectives.

This report is intended solely for the information and use of the board of directors, management, Wallstreet Associate, Inc., National Association of Securities Dealers, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 and should not be used for any other purpose.

Samuel O. Lyons, Jr.
Certified Public Accountant

February 27, 2008